

Page 1

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 22-10964-mg

4 Adv. Case No. 22-01142-mg

5 - - - - - x

6 In the Matter of:

7

8 CELSIUS NETWORK, LLC,

9

10 Debtor.

11 - - - - - x

12 AD HOC GROUP OF CUSTODIAL ACCOUNT HOLDERS,

13 Plaintiff,

14 v.

15 CELSIUS NETWORK, LLC, et al.,

16 Defendants.

17 - - - - - x

18 United States Bankruptcy Court

19 One Bowling Green

20 New York, NY 10004

21

22 November 22, 2022

23 10:03 a.m.

24

25

Veritext Legal Solutions

212-267-6868

www.veritext.com

516-608-2400

Page 2

1 B E F O R E :
2 HON MARTIN GLENN
3 U.S. BANKRUPTCY JUDGE

4

5 ECRO: JONATHAN

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Veritext Legal Solutions

212-267-6868

www.veritext.com

516-608-2400

Page 3

1 HEARING re 22-01142-mg Case Management Conference Using Zoom
2 for Government. (Doc ## 1 to 4, 6, 7, 8, 12)

3

4 HEARING re Case Management Conference Using Zoom for
5 Government. (Doc## 737, 745, 857, 914, 937, 951, 954, 984,
6 1044, 1192, 1234, 1245, 1288, 1289 to 1293, 1370)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25 Transcribed by: Sonya Ledanski Hyde

Page 4

1 A P P E A R A N C E S :

2

3 MCCARTER ENGLISH, LLP

4 Attorneys for Certain Borrowers

5 245 Park Avenue

6 New York, NY 10167

7

8 BY: DAVID J. ADLER (TELEPHONICALLY)

9

10 WHITE CASE LLP

11 Attorneys for the Official Committee of Unsecured

12 Creditors

13 1221 Avenue of the Americas

14 New York, NY 10020

15

16 BY: SAMUEL P. HERSHY (TELEPHONICALLY)

17 DAVID TURETSKY (TELEPHONICALLY)

18

19

20

21

22

23

24

25

Veritext Legal Solutions

212-267-6868

www.veritext.com

516-608-2400

Page 5

1 KIRKLAND ELLIS
2 Attorneys for Celsius Network, LLC
3 300 N LaSalle St
4 Chicago, IL 60654
5
6 BY: CHRIS KOENIG (TELEPHONICALLY)
7 ROSS M. KWASTENIET (TELEPHONICALLY)
8 TJ MCCARRICK (TELEPHONICALLY)
9
10 TOGUT SEGAL SEGAL LLP
11 Attorneys for Ad Hoc Group of Custodial Account Holders
12 One Penn Plaza, Suite 3335
13 New York, NY 10119
14
15 BY: BRYAN KOTLIAR (TELEPHONICALLY)
16
17 TROUTMAN PEPPER HAMILTON SANDERS LLP
18 Attorneys for Ad Hoc Group of Withhold Account Holders
19 4000 Town Center, Suite 1800
20 Southfield, MI 48075
21
22 BY: DEBORAH KOVSKY-APAP (TELEPHONICALLY)
23
24
25

Page 6

1 **WALLER LANSDEN DORTCH DAVIS, LLP**
2 **Attorneys for RH Montgomery Properties, Inc.**
3 **511 Union Street, Suite 2700**
4 **Nashville, TN 37219**
5
6 **BY: TYLER NATHANIEL LAYNE (TELEPHONICALLY)**
7
8 **JENNER BLOCK LLP**
9 **Attorneys for Shoba Pillay**
10 **353 N. Clark Street**
11 **Chicago, IL 60654**
12
13 **BY: VINCENT EDWARD LAZAR (TELEPHONICALLY)**
14 **SHOBA PILLAY (TELEPHONICALLY)**
15
16 **MILBANK**
17 **Attorneys for Series B Preferred Shareholders**
18 **1850 K St NW**
19 **Washington, DC 20006**
20
21 **BY: ANDREW LEBLANC (TELEPHONICALLY)**
22
23
24
25

Page 7

1 OFFICE OF THE UNITED STATES TRUSTEE
2 Attorneys for the U.S. Trustee
3 201 Varick Street, Room 1006
4 New York, NY 10014
5

6 BY: BRIAN S. MASUMOTO (TELEPHONICALLY)
7

8 ALSO PRESENT TELEPHONICALLY:

9 KATHERINE AIZPURU
10 NELLY ALMEIDA
11 ANDREA AMULIC
12 JOEL ANTHONY
13 RICHARD ARCHER
14 JESUS AYALA, JR.
15 STEVEN BAUM
16 CHRIS BECIN
17 OCTAVE J. BOURGEOIS
18 JOHAN BRONGE
19 VERA BROWN
20 JEREMY COHEN HOFFING
21 AARON COLODNY
22 LAFAYETTE COOK
23 KAREN CORDRY
24 SHARA CLAIRE CORNELL
25 CARL J. COTE

Page 8

1 CAMERON CREWS
2 TRISTAN DIAZ
3 SCOTT D. DUFFY
4 DENNIS DUNNE
5 WAYNE A. EXUM
6 JAMES ENGEL
7 TIFFANY FONG
8 DEBORAH FRANKEL
9 ARLISHEA FULTON
10 REBECCA GALLAGHER
11 CHRISTOPHER GASTELU
12 VINCENT GOETTEN
13 LUCAS J. HOLCOMB
14 IMMANUEL HERRMANN
15 JOHN HODSON
16 MITCH HURLEY
17 JON IADONISI
18 RAUL JIMENEZ
19 MIKE JOHNSON
20 IVAN KACIR
21 PHILLIP KHEZRI
22 MEI PO KWOK
23 CATHY LAU
24 NICOLE A. LEONARD
25 CHEYENNE LIGON

Page 9

1 JESSE LUND
2 SARAH BETH MARONPOT
3 CHASE MARSH
4 ERIK MENDELSON
5 LAYLA MILLIGAN
6 MICHAEL D. MORRIS
7 PATRICK JAMES NASH
8 KYLE J. ORTIZ
9 DIA PARKER
10 MILIN PATEL
11 GREGORY F. PESCE
12 LUKE PORCARI
13 SHASHANK S. RAI
14 DAMIEN RAYMOND
15 JOHN P. REDING
16 ABIGAIL RYAN
17 AACELI SANCHEZ
18 DANA SANDEFUR
19 DAVID SCHNEIDER
20 NOAH M. SCHOTTENSTEIN
21 RE'NECIA SHERALD
22 JEROME STEWART
23 ROBERT STROMBERG
24 LUCY L. THOMSON
25 STACY TECKLIN

Page 10

1 VICTOR UBIERNA DE LAS HERAS
2 HEMANT UPADHYAYA
3 VETON VEJSeli
4 STEPHEN A. VILLAVASO
5 CARL N. WEDOFF
6 KEITH WOFFORD
7 ALAN WOHLMAN
8 MELANIE YANEZ
9 LILY YARBOROUGH
10 ANNE YEILDING
11 JESSE YUAN
12 MAX JACKSON
13 UDAY GORREPATI
14 DIETRICH KNAUTH
15 MATTHEW W. SILVERMAN
16 COURTNEY BURKS STEADMAN
17 SAMMY TANTAWY
18 ARTUR ABREU
19 EMMANUEL ALBINO
20 RENE A. AMAYA
21 SAMUEL ARGIER
22 BRAD J. AXELROD
23 MALCOLM BATES
24 CLAUDE BEAUDRY
25 ROBERT BEAULAC

Page 11

1 BRIANNA B. BILTER
2 ED G. BIRCH
3 SOMA BISWAS
4 JOHN BONADIES
5 SHIREEN F. BOONE
6 DUSTIN BOROFF
7 JARED C. BORRIELLO
8 KYLE BRAY
9 PHILIP BRENDEL
10 PAUL BREUDER
11 MICHAEL P. BROADHURST
12 CHRISTINA CIANCARELLI
13 AMY CASTOR
14 CAROLYN CHAMBERLAYNE
15 ERIC CHAN
16 RICKIE CHANG
17 ELLE CHOI
18 ROBERT CHRISTIANSEN
19 GEOFFREY CIRKEL
20 HECTOR CLAUDIO
21 SONDA CORI COHEN
22 DAKEN COLEMAN
23 MICHAEL CONLON
24 MIA E. COOPER
25 ERIDSON CUNHA

Page 12

1 VTOR CUNHA
2 DAVID DALHART
3 KENNETH DARSCHIEWSKI
4 STEFFAN DAVIES
5 STEVEN J. DEDINA
6 DAVID J. DERAN
7 ROMA N. DESAI
8 JASON DIBATTISTA
9 SCOTT DUFFY
10 DREW DUFFY
11 ALEXANDER DYKE
12 JANELL ECKHARDT
13 BEN R. EADES
14 JANINE EDGERTON-AVIN
15 DANIEL EGGERMANN
16 LIEW ENG CHUAN
17 PAUL FABSIK
18 DAVID AVERY FAHEY
19 MICHAEL FORTWENGLER
20 WILLIAM FOSTER
21 DARIUS GHEORGHE
22 TODD GORDON
23 JASLEIGH GEARY
24 UTSAV GHOSH
25 BRADLEY GIARDIELLO

Page 13

1 SUSAN D. GOLDEN
2 RYAN GOLDSTEIN
3 SIMONE HANRAADS
4 TAYLOR HARRISON
5 ALAINA HEINE
6 ANDREW HINE
7 DAVID HOLLERITH
8 KYLE HOLZHAUER
9 JASON IOVINE
10 ROBERTO JACOBS
11 KRAIG JAKOBSEN
12 VLADIMIR JELISAVCIC
13 BRIAN JENSVOLD
14 AROON JHAMBA
15 TIM JOHNSON
16 JAME JUJ
17 GREG KACZKOWSKI
18 DAVID KAHN
19 COLTON KAISER
20 DENISE KALOUDIS
21 DAN KAPLAN
22 JEFF KAPLAN
23 KELLEE KAPLAN
24 LORETA KASH
25 ROBERT M. KAUFMANN

Page 14

1 AISLINN KEELY
2 MIKAELA KENSINGTON
3 HEEMOK KIM
4 CRYSTAL KIM
5 DIETRICH KNAUTH
6 JEREMY FRANCIS KOO
7 RIKI KOUKY
8 ISAAC R. LLEWELLYN
9 JOSEPH LALIA
10 HUONG LAM
11 MARK D. LARRABEE
12 JAMES F. LATHROP
13 JEAN-PHILIPPE LATREILLE
14 CHRISTINE LEE
15 MIKE LEGGE
16 JOE LEHR
17 MARK S. LEONARD
18 EDMUNDO LOPEZ
19 RABECA MADSEN
20 STEVAN MAGLIC
21 KEVIN M. MANUS
22 NAKISO MAODZA
23 DANIEL J. MAREE
24 JEREMY MARONPOT
25 RIC MAT

Page 15

1 ETHAN BUTLER MC LAUGHLIN
2 JAMES MC NAMARA
3 ALEXANDER MC WILLIAMS
4 BRIAN MENDIETA
5 JARED MEZZATESTA
6 ALEX MICHAELS
7 TIMON MITRAKAS
8 MICHAEL MOWRY
9 THOMAS P. MURPHY
10 VIK NAGPAL
11 JASON G. NEW
12 DANIEL NIGGEMANN
13 LIAM NOON
14 MARY O'BRIEN
15 ROBERT ORREN
16 RICHARD E. OSWALD
17 SHANE C. OWENS
18 NICOLAS PIQUEREZ
19 HSIN-CHIEH PAN
20 KATY PAPE
21 JORDYN PAPERNY
22 PETER PATZAK
23 MONICA PERRIGINO
24 KHAI PHAM
25 RICHARD PHILLIPS

Page 16

1 HANS POLZMACHER
2 LALANA PUNDISTO
3 NAZNEN RAHMAN
4 ANNEMARIE V. REILLY
5 TIMOTHY REILLY
6 ANUBHAV RICHARDS
7 LINDA RIFFKIN
8 RICHARD K. ROBISON
9 JONATHAN RODRIGUEZ
10 MICHAEL ROGAWSKI
11 JASON ROSELL
12 JACQUES ROSSOUW
13 ANDREW RUDOLPH
14 NICHOLAS SABATINO
15 CAROLINE SALLS
16 THERESE SCHEUER
17 SHAI SCHMIDT
18 DAVID SENES
19 MICHAEL SHA
20 MUHAMMAD SHIRAZ SHAFQAT
21 SAMI SHAIKH
22 ALEX SHLIVKO
23 MATTHEW W. SILVERMAN
24 ALEXANDER P. SIMMONS
25 DON H. SMITH

Page 17

1 BRAD SORENSEN
2 CATHERINE STEEGE
3 HOWARD STEEL
4 VINCE SULLIVAN
5 DANIEL H. TABAK
6 KEYAN TAJI
7 SAMMY S. TANTAWY
8 NATASHA TESESE
9 CHARLES THOMASHOWER
10 BRIAN TICHENOR
11 GREGORY TOLLIS
12 PAIGE TORTORELLI
13 ANHMINH TRAN
14 ELVIN TURNER
15 FEMKE J.M. VESSIES
16 AUSTIN HENRY VINY
17 HEATHER A. WALLER
18 SARAH WEISS
19 MARTIN WILLIAMS
20 HIRAM WILLIAMSON
21 JASON S. WISEMAN
22 ALEX WOLF
23 BENNY YIU WONG
24 TAK YEUNG
25 JESSE YUAN

Page 18

1 KAILA ZAHARIS
2 DREW ZERDECKI
3 JARNO BERG
4 ALEXANDRE DE MELO
5 AUSTIN STRATTON
6 ALLAN VAN DER MEER

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Page 19

1 P R O C E E D I N G S

2 CLERK: All right. We are going to be starting
3 the hearing. Please pay attention to the announcements.
4 All persons are strictly prohibited from making any
5 recording of Court proceedings, whether by video, audio,
6 screenshot or otherwise. Violation of this prohibition may
7 result in the imposition of monetary and non-monetary
8 sanctions. The Clerk of the Court maintains an audio
9 recording of all proceedings which constitutes the official
10 record. Parties must state their name each time they speak
11 on the Court record. A party must join with a full first
12 and last name to be admitted from the waiting room. Parties
13 that join with initials, a partial name, a designation such
14 as iPhone, etc., will not be admitted. Judge, would you
15 like to begin?

16 THE COURT: Yes, I would. Thank you and good
17 morning, everybody. This is Judge Glenn. We're here in the
18 case management conference. The date was set in the Joint
19 Stipulation and Agreed Scheduling Order with regard to the
20 custody and withhold issues. I've got that Stipulation open
21 in front of me. Let me ask for the -- counsel for the
22 custody holders to begin first and then I'll turn to Ms.
23 Kovsky on behalf of Withhold Account Holders, the Ad Hoc
24 Committee.

25 MR. KOTLIAR: Hi. Good morning, Your Honor. This

Page 20

1 is Bryan Kotliar of Togut Segal & Segal, counsel for the Ad
2 Hoc Group of Custodial Account Holders. Can you hear me,
3 okay?

4 THE COURT: Yes, I can.

5 MR. KOTLIAR: Thank you, Your Honor. So,
6 currently we filed our Phase 1 Opening Brief in accordance
7 with the Scheduling Order. All the other parties did so, as
8 well. The Debtors filed one Declaration regarding certain
9 questions that the Creditors Committee had. It also
10 answered certain questions that we had, as well. We, the
11 Creditors Committee, we understand, and the Withhold Group
12 have some follow-up questions for the Debtor's Declarant
13 regarding the contents of that Declaration as it relates to
14 our issues. We think that, subject to seeing what's in that
15 Supplemental Declaration, and subject to understanding one
16 item about the pending withdrawals, we don't have any
17 factual disputes for which we are expecting depositions or
18 cross-examinations or really any contested evidentiary
19 matters that need to be decided by the Court at the hearing
20 on December 7th.

21 So, with that being said, our expectation, again,
22 subject to seeing the Supplemental Declaration, subject to
23 seeing the parties' responsive briefs, is that, at the
24 hearing on December 7th, we'll be presenting solely legal
25 issues for the Court to determine. We did meet and confer

Page 21

1 with the other parties last night and I believe that that's
2 consistent with our collective understanding, but I will let
3 them speak for themselves.

4 THE COURT: Let me ask you a question. I guess
5 this is a question for everyone, really, whether the
6 Blonstein Declaration is consistent with the Examiner's
7 Report.

8 MR. KOTLIAR: So, Your Honor, in our view they are
9 consistent. They are certainly not inconsistent. And I
10 would say that the way that we view the Blonstein
11 Declaration, and the Examiner Report together is that the
12 Blonstein Declaration says the "what" and the "where," and
13 the Examiner Report, consistent with the Appointment Order,
14 says the "why," "when" and the "how." And so, it all fits
15 together with one consistent story. I think the Examiner
16 Report just kind of fills in the gaps about what happened
17 and why.

18 THE COURT: Okay, and I guess this is also a
19 question for all the counsel in this proceeding. Is it
20 contemplated that the parties either will stipulate to the
21 Court being able to use the Examiner's Report or that you'll
22 stipulate to admissibility solely for the purpose of this
23 hearing of the Examiner's Report? Is that something that's
24 been discussed?

25 MR. KOTLIAR: We have not discussed that yet, Your

Page 22

1 Honor.

2 THE COURT: Okay. Ms. Kovsky?

3 MS. KOVSKY: Good morning, Your Honor. Deb
4 Kovsky, Troutman Pepper, for the Ad Hoc Group of Withhold
5 Account Holders. I concur with what Mr. Kotliar just said.
6 We did meet and confer yesterday. We don't anticipate
7 calling any live witnesses at the hearing, subject of course
8 to seeing the Supplemental Declaration that we anticipate
9 will be forthcoming from Mr. Blonstein. And with respect to
10 the Examiner's Report, although we did not discuss it, my
11 client certainly would have no issues stipulating to its
12 admissibility for purposes of this hearing.

13 THE COURT: Mr. Kotliar, do you have a view of
14 that? I'm not -- I mean, I've read it and obviously, I
15 asked the question, but I went back and read the Blonstein
16 Declaration, as well. I asked my question about it, are
17 they consistent with each other? Do you have a view, at
18 this point, on whether you're prepared to stipulate to the
19 admissibility only for the purposes of this hearing of the
20 Examiner's Report?

21 MR. KOTLIAR: We have not formed a view on that
22 yet. I think we probably are likely to do that, but I --

23 MS. KOVSKY: I'm not pressing anybody today for
24 the answer. What I would request is -- I mean, it is an
25 important -- from the Court's standpoint, it's an important

Page 23

1 piece of information and I do want you all to confer and see
2 whether there is agreement or not. I'm not trying to force
3 anybody into agreement, but I want to see whether there is
4 agreement, a stipulation to the admissibility for this
5 purpose only. I'm not -- you know, if there -- if there are
6 Phase 2 issues or anything like that, that have to get
7 resolved, I'm not -- you'll have to -- and if the Report is
8 relevant to that, I'm not -- so, you're agreeing to the
9 admissibility for purposes of Phase 1 will not prejudice
10 your right to object to it as to Phase 2 or any other
11 proceeding. Just let me leave it at that, okay?

12 MR. KOTLIAR: Understood, Your Honor. We'll come
13 back.

14 THE COURT: Okay. All right. Mr. Hershey?

15 MR. HERSHY: Good morning, Your Honor. Sam
16 Hershey from White & Case, for the Official Committee of
17 Unsecured Creditors. Can Your Honor hear me, okay?

18 THE COURT: Yes, I can. Thank you.

19 MR. HERSHY: Great. Thank you, Your Honor. I
20 have nothing really to add in addition to what Mr. Kotliar
21 has already said. We reserve the same rights to review the
22 Supplemental Blonstein Declaration, the filings. The
23 Committee has been viewing the Examiner's Report. We
24 haven't yet formed a position on it or whether it requires
25 additional discovery on custody. And we're happy to take

Page 24

1 Your Honor's suggestion to discuss with the other parties
2 whether that's the case and whether we'll agree to admit it
3 for a limited purpose of the hearing. And we'll certainly
4 do that very quickly after this hearing.

5 THE COURT: Okay. I guess I should have asked
6 this, what's the Supplemental Blonstein Declaration supposed
7 to cover? You're muted, Mr. Hershey.

8 MR. HERSHLEY: Sorry, I muted myself.

9 THE COURT: That's okay.

10 MR. HERSHLEY: I apologize. The parties posed a
11 number of supplemental questions to the Debtors just based
12 on what we viewed as open items that hadn't been fully
13 covered in the initial Blonstein Declaration, only a handful
14 of questions. And the Debtors can address this, but we did
15 not get the sense that it would unduly burdensome or
16 problematic for the Debtors to provide those answers.

17 THE COURT: And was that, just so we're clear, I
18 guess I should have asked Ms. Kovsky this, as well. Let me
19 ask Ms. Kovsky first. You indicated you don't intend -- you
20 don't anticipate calling any witnesses. Do you anticipate
21 wanting to cross-examine Mr. Blonstein?

22 MS. KOVSKY: Depending upon the contents, and
23 subject to the review of the Supplemental Declaration, our
24 anticipation is that we would just rely on the written
25 Declarations and not cross-examine.

Page 25

1 THE COURT: Okay. Fine. Same question to you,
2 Mr. Hershey.

3 MR. HERSHLEY: The Committee takes the same
4 position. We think that we'll be able to avoid any
5 evidentiary presentation at the hearing and just do
6 argument.

7 THE COURT: Okay. All right. Mr. Koenig?

8 MR. KOENIG: Thank you, Your Honor. For the
9 record, Chris Koenig, Kirkland & Ellis for the Celsius
10 Debtors. I'm going to agree with what other counsel has
11 indicated. We believe that the evidentiary presentation
12 will be very limited, and we can proceed to argument. One
13 item I did want to raise that I know is important to Ms.
14 Kovsky is, her client submitted some Declarations that she
15 attached to her opening brief. And the parties met and
16 conferred and have no objection to those being part of the
17 proceeding, as well. And just to confirm, the Debtors don't
18 anticipate cross-examining any of those individuals and I
19 don't believe that the Committee or the Ad Hoc Group of
20 Custody Holders do, as well. I just wanted to make sure
21 that that was on the record for Ms. Kovsky.

22 THE COURT: Okay. Ms. Kovsky, anything you want
23 to add on that point?

24 MS. KOVSKY: No, and I apologize for not
25 mentioning that. Yes, those Declarations were also part of

Page 26

1 our discussion yesterday and I appreciate everyone's
2 accommodation in not deposing and cross-examining. They're
3 fairly straightforward.

4 THE COURT: Okay. Mr. Hershey?

5 MR. HERSHY: Completely agree, Your Honor.

6 Nothing to add.

7 THE COURT: Okay. Mr. Koenig, maybe you can tell
8 me, what is the likely subject of any supplemental Blonstein
9 Declaration?

10 MR. KOENIG: Yes, Your Honor. The parties asked
11 us some questions that were raised that they didn't believe
12 were fully addressed by the initial Blonstein Declaration.
13 I don't have the list in front of me, but as Mr. Hershey
14 indicated, we'll be able to get that done over the next week
15 or so. Obviously, we have the intervening holidays, but
16 it's not substantially different from what the initial
17 questions were. It's more follow on questions that the
18 parties had after reviewing the initial Blonstein
19 Declaration that they just wanted to understand a little bit
20 tighter what the issues that were raised in the Declaration
21 were.

22 THE COURT: All right. And what is the Debtor's -
23 - does the Debtor have a position at this point on whether
24 it's prepared to stipulate solely for the purpose of this
25 hearing to the admission of the Examiner's Report?

Page 27

1 MR. KOENIG: Your Honor, we hadn't considered it
2 prior to this hearing. I don't expect we're going to have
3 an issue but let us take that off-line with the other
4 parties as you suggest.

5 THE COURT: That's fine, and I would appreciate it
6 if you would all discuss it. And again, you can put in a
7 reservation of rights that if you all stipulate to the
8 admissibility for purposes of this hearing, it won't be --
9 it's without prejudice to anybody's ability to object to it,
10 any subsequent proceeding. Let me -- Ms. Kovsky, I think
11 your opening brief briefly addressed the point about -- one
12 takeaway that I got from the Examiner's Report is the
13 shortfall in what assets were transferred to -- and this may
14 be more of a question for Mr. Kotliar. But when assets were
15 transferred to the custody account, so as a shortfall, it
16 was made up -- they did reconciliations, I'll say
17 irregularly, but not -- it was not automatic, let's put it
18 that way. And my term, not the report, they "trued up" at
19 various times when there was a shortfall. It raises the
20 question, at least -- I'm not saying that it's the -- that
21 it would apply in this case under these circumstances, but
22 I'm certainly familiar with prior cases in this Circuit that
23 have applied the lowest intermediate value rule in
24 allocating any shortfall. I think you briefly addressed it
25 in your brief. I don't remember seeing it in anybody else's

Page 28

1 brief. Is that likely to be an issue that the Court is
2 going to have to address in Phase 1? I called on you first,
3 Ms. Kovsky, on this point, and then I'll give everybody else
4 a chance if they want to address it.

5 MS. KOVSKY: Your Honor, yes, Deb Kovsky, Troutman
6 & Pepper for the Withhold Group. I believe that is
7 something that Your Honor will need to look at with respect
8 to Withhold and I can't really speak to the custody issues,
9 but because there wasn't a separate wallet --

10 THE COURT: It was a separate wallet, yeah.

11 MS. KOVSKY: -- for Withhold, and it seems that
12 the custody wallet was perhaps not run as tightly as it
13 might have been. So, one of the questions that we have
14 addressed to the Debtor for the Blonstein Supplemental
15 Declaration is, we've asked that the Debtors provide the
16 lowest intermediate balance on a coin-by-coin basis for,
17 what's in fire blocks (indiscernible), what's there, what's
18 the lowest it dipped? I mean, the Withhold Group is so
19 small, it seems all but impossible that the total has ever
20 got below the amounts that are owed to the Withhold Account
21 Holders. But that is one of the factual questions that
22 we're hoping to get an answer to in the next few days or
23 week.

24 THE COURT: Okay. Mr. Kotliar, do you want to
25 address that issue, at all?

Page 29

1 MR. KOTLIAR: Sure, Your Honor. Again, Bryan
2
3 Kotliar, counsel for the Ad Hoc Group of Custodial Account
4 Holders. This does go to the one or two questions we have
5 for Mr. Blonstein for the Supplemental Declaration. I think
6 the Examiner Report actually gave us comfort on this because
7 there is a line towards the end that says, as of the
8 Petition date, the custody -- the assets in the custody
9 wallets largely met or were consistent with the custody
10 liabilities relating to the custody service. The questions
11 that we have are, what are the -- and it's very simple, what
12 were the coin assets and liabilities in the custody wallets
13 as of the Petition date and currently? I think the only
14 shortfall that has arisen, based on what we've read from the
15 Debtors, is that there is this pending withdrawal or
16 cancellation that caused some assets to -- should have left
17 custody and actually gone back to the holders. They never
18 arrived outside of the platform and since they've now gone
19 back into custody, there is this apparent mismatch, and so,
we're going to brief that in our responsive pleading.

20 THE COURT: All right. Mr. Hershey?

21 MR. HERSHY: So, I think that, obviously, the
22 Committee, as Your Honor is aware, disputes that the
23 Withhold Group has an ownership interest in the assets. But
24 to the extent Your Honor disagrees that perspective, I think
25 we would have to determine the issue. And so, that would be

Page 30

1 our position, and the same is true for custody. If there is
2 going to be a distribution of custody assets, we would need
3 to determine a shortfall.

4 THE COURT: So, are parties going to address this
5 issue? And is that under the Schedule, December 2nd is the
6 deadline for parties to file responsive briefs on the Phase
7 1 issues. Is that something that the Committee intends to
8 address?

9 MR. HERSHY: Yes, the Committee intends to
10 address that issue, Your Honor.

11 THE COURT: Okay. Mr. Kotliar, are you going to
12 address this issue in your additional brief?

13 MR. KOTLIAR: Yes, Your Honor.

14 THE COURT: Okay. Ms. Kovsky, you've briefly
15 addressed it already. Are you going to say anything -- is
16 that something you're going to address in your supplemental
17 brief?

18 MS. KOVSKY: I anticipate that I will, Your Honor.
19 (indiscernible) if we get updated information from Mr.
20 Blonstein.

21 THE COURT: Okay. Mr. Koenig?

22 MR. KOENIG: Your Honor, we will do so, as well.
23 Of course.

24 THE COURT: Okay. All right. If, as it seems
25 now, that no-one is anticipating either calling live

Page 31

1 witnesses or cross-examining the Declarants, I'm very
2 comfortable, we have the two days set aside for the hearing.
3 I'm not going to impose time limits on your individual
4 arguments. It does seem to me that, unless you disagree
5 now, which I'd like to hear, that the Custody in Withhold
6 counsel should go first and then the Committee and then the
7 Debtor. I don't know whether you had talked about this, and
8 I'll obviously give people a chance to reply. I mean, we
9 should be very comfortable with, if in fact, there's no
10 cross-examination of witnesses. I've already read the
11 papers that have been filed so far. There's still have a
12 lot more preparation to do and obviously, there's another
13 round of briefs to go. Let me ask this, does anybody
14 disagree with what I've suggested? And I would let -- Mr.
15 Kotliar and Ms. Kovsky, I'd have the two of you work out
16 between you who would go first, who would go second. I
17 don't -- I don't think it's a big deal, frankly, myself.
18 But I want to go into this hearing so that you all know the
19 order in which people are going to go, etc.

20 MR. KOTLIAR: Your Honor, we -- when we met and
21 conferred last night, this is one of the things that we
22 discussed, but we did not come to an agreement on. We
23 didn't have a disagreement, but it's just something that we
24 said we would discuss.

25 THE COURT: Okay. That's fine. That's fine.

Page 32

1 MR. KOTLIAR: I just want to note one thing, which
2 is, whoever goes first, second or third, I think one of the
3 issues that your Court is going to have to consider is, who
4 has the burden on what issues. And I don't want the
5 process, whoever proceeds in what fashion, to impact who has
6 the burden.

7 THE COURT: That's fair. I guess the reason I
8 said that Custody in Withhold ought to go first is, you want
9 the stuff back. And I'm certainly open to having you -- all
10 of you argue about where you think the burden goes, but at
11 least with the initial going forward, you want the stuff
12 back and the Committee and the Debtor, not so much. Let's
13 put it that way. I'll leave it at that, so --

14 MR. KOTLIAR: Yes, Your Honor.

15 THE COURT: Okay. All right. So, Mr. Kotliar, I
16 don't know whether it is going to be you who is going to be
17 speaking or -- for Custody?

18 MR. KOTLIAR: It'll be my colleague, Mr. Ortiz.
19 He wasn't able to join this morning because of a medical
20 emergency. I think we're probably happy to go first, but I
21 think where we left off with the parties is, we would
22 discuss it.

23 THE COURT: Well, I'll let you discuss it and --
24 so I see we have the Examiner present at the hearing, as
25 well. Ms. (indiscernible), is there anything that you

Page 33

1 wanted to say at this point?

2 MS. (indiscernible): Good morning, Your Honor. I
3 have nothing to add at this point, unless Your Honor has any
4 specific questions for me.

5 THE COURT: No, I was busy reading, and the Court
6 very much appreciates that you delivered the Report on time
7 and very comprehensive, so -- all right. So, the open
8 question that I would like an answer to when you've -- if
9 you can reach an agreement about it is whether the parties
10 to this, about stipulating to the admissibility for purposes
11 of this hearing of the Examiner's Report. When you have a --
12 -- if you come to an agreement on it, you can -- somebody can
13 file a status letter just indicating that that's resolved.
14 I don't need to know in advance how you work out the order
15 in which you're all going to argue. And as I say, I'm not
16 going to set -- we've got plenty -- I'm not -- sometimes
17 less is better, but I'm not going to set any time limits on
18 each of your presentations. Okay?

19 MR. KOENIG: Thank you, You Honor. And just, if I
20 may for a moment --

21 THE COURT: Go ahead, Mr. Koenig.

22 MR. KOENIG: When the parties discussed --

23 THE COURT: You have to identify yourself, Mr.
24 Koenig, each time you speak.

25 MR. KOENIG: Oh, I'm sorry. Again, for the

Page 34

1 record, Chris Koenig, Kirkland & Ellis. The parties
2 discussed dispensing with opening arguments and closing
3 arguments and just getting right into the merits of the
4 arguments, and I assume that that was fine with Your Honor,
5 but we just wanted to confirm.

6 THE COURT: Absolutely. Absolutely. You know,
7 I've read everything more than once already and everything
8 will be read again before the hearing. There is this one
9 additional round of briefs and there will be another
10 Blonstein Declaration, it appears, and obviously I will have
11 read that, as well.

12 MR. KOENIG: Right, and Your Honor, how we intend
13 to proceed is, there are three issues. The property of the
14 estate issue, with respect to Custody, the property of the
15 estate issue with respect to Withhold, and then the further
16 issue of, even if Withhold or Custody is not property of the
17 estate, may the Debtor nonetheless maintain possession and
18 control over those assets? We would anticipate arguing
19 those three issues in series.

20 THE COURT: Okay.

21 MR. KOENIG: And then, of course, Your Honor,
22 there's also the Debtor's Motion to Allow Withdrawals from
23 Custody and Withhold Below Certain Dollar Amounts that we
24 would propose hearing after this issue is argued. It's the
25 Debtor's Motion, but we would propose having that heard

Page 35

1 later in the day, probably on the 7th, after this argument
2 is wrapped up. There's a number of objecting parties to
3 that matter, but it was on the calendar for all of this to
4 be tried on the same day, but we would have that heard after
5 argument on these issues with these parties.

6 THE COURT: Okay. I need to go back and read
7 that. My focus has been on -- it's important. I don't mean
8 to underestimate the importance of it. How many account
9 holders is it that the Debtor is proposing to return the
10 assets? I take it that all of the people to whom the Debtor
11 proposes to return assets are below that threshold for
12 preference avoidance actions?

13 MR. KOENIG: That's largely true, Your Honor.
14 There are some folks that only had custody assets. It was
15 never in earnest, so there's not a preference with respect
16 to those folks. The number is something around 40,000
17 individuals. There are many individuals with small balances
18 on the account, so --

19 THE COURT: Okay.

20 MR. KOENIG: -- it affects a great number of
21 people, and we would obviously like, to the extent it is
22 determined by the Court that Custody or Withhold are not
23 property of the estate and the Debtor has no viable
24 preference claim because it's below the dollar threshold, we
25 would like to get dollars out to those customers, obviously,

Page 36

1 as soon as possible.

2 THE COURT: Okay. Is the briefing closed on that,
3 Mr. Koenig?

4 MR. KOENIG: The objections have already been
5 filed. The Debtor's Reply Brief is due the same day as the
6 secondary briefs on this issue, next Friday, December 2nd.

7 THE COURT: All right. Okay. Does anybody else
8 have anything they want to add for today? I hope you all
9 have a very nice Thanksgiving.

10 MR. KOENIG: Happy Thanksgiving, Your Honor.

11 THE COURT: Okay.

12 MR. HERSHY: Happy Thanksgiving, Your Honor.

13 THE COURT: All right. We're adjourned.

14 MR. KOENIG: Thank you.

15 (Whereupon these proceedings were concluded at
16 10:25 AM)

17

18

19

20

21

22

23

24

25

Page 37

1 C E R T I F I C A T I O N

2

3 I, Sonya Ledanski Hyde, certified that the foregoing
4 transcript is a true and accurate record of the proceedings.

5

6 *Sonya M. Ledanski Hyde*

7 Sonya Ledanski Hyde

8

9

10

11

12

13

14

15

16

17

18

19

20 Veritext Legal Solutions

21 330 Old Country Road

22 Suite 300

23 Mineola, NY 11501

24

25 Date: November 25, 2022

Veritext Legal Solutions

212-267-6868

www.veritext.com

516-608-2400

[& - anne]

Page 1

&	2700 6:3	aaron 7:21	admit 24:2
& 20:1 23:16	2nd 30:5 36:6	abigail 9:16	admitted 19:12
25:9 28:6 34:1	3	ability 27:9	19:14
1	300 5:3 37:22	able 21:21 25:4	adv 1:4
1 3:2 20:6 23:9	330 37:21	26:14 32:19	advance 33:14
28:2 30:7	3335 5:12	abreu 10:18	agree 24:2 25:10
10004 1:20	353 6:10	absolutely 34:6	26:5
10014 7:4	37219 6:4	34:6	agreed 19:19
10020 4:14	4	accommodation	agreeing 23:8
1006 7:3	4 3:2	26:2	agreement 23:2
10119 5:13	40,000 35:16	account 1:12	23:3,4 31:22
10167 4:6	4000 5:19	5:11,18 19:23	33:9,12
1044 3:6	48075 5:20	20:2 22:5 27:15	ahead 33:21
10:03 1:23	5	28:20 29:2 35:8	aislinn 14:1
10:25 36:16	511 6:3	35:18	aizpuru 7:9
11501 37:23	6	accurate 37:4	al 1:15
1192 3:6	6 3:2	actions 35:12	alaina 13:5
12 3:2	60654 5:4 6:11	ad 1:12 5:11,18	alan 10:7
12151 37:7	7	19:23 20:1 22:4	albino 10:19
1221 4:13	7 3:2	25:19 29:2	alex 15:6 16:22
1234 3:6	737 3:5	add 23:20 25:23	17:22
1245 3:6	745 3:5	26:6 33:3 36:8	alexander 12:11
1288 3:6	7th 20:20,24	addition 23:20	15:3 16:24
1289 3:6	35:1	additional 23:25	alexandre 18:4
1293 3:6	8	30:12 34:9	allan 18:6
1370 3:6	8 3:2	address 24:14	allocating 27:24
1800 5:19	857 3:5	28:2,4,25 30:4,8	allow 34:22
1850 6:18	9	30:10,12,16	almeida 7:10
2	914 3:5	addressed 26:12	amaya 10:20
2 23:6,10	937 3:5	27:11,24 28:14	americas 4:13
20006 6:19	951 3:5	30:15	amounts 28:20
201 7:3	954 3:5	adjourned	34:23
2022 1:22 37:25	984 3:5	36:13	amulic 7:11
22 1:22	a	adler 4:8	amy 11:13
22-01142 1:4 3:1	a.m. 1:23	admissibility	andrea 7:11
22-10964 1:3	aaceli 9:17	21:22 22:12,19	andrew 6:21
245 4:5		23:4,9 27:8	13:6 16:13
25 37:25		33:10	anhminh 17:13
		admission 26:25	anne 10:10

[annemarie - c]

Page 2

annemarie 16:4	argument 25:6	32:9,12 35:6	borriello 11:7
announcements	25:12 35:1,5	balance 28:16	borrowers 4:4
19:3	arguments 31:4	balances 35:17	bourgeois 7:17
answer 22:24	34:2,3,4	bankruptcy 1:1	bowling 1:19
28:22 33:8	arisen 29:13	1:18 2:3	brad 10:22 17:1
answered 20:10	arlishea 8:9	based 24:11	bradley 12:25
answers 24:16	aroon 13:14	29:13	bray 11:8
anthony 7:12	arrived 29:17	basis 28:16	brendel 11:9
anticipate 22:6	artur 10:18	bates 10:23	breuder 11:10
22:8 24:20,20	aside 31:2	baum 7:15	brian 7:6 13:13
25:18 30:18	asked 22:15,16	beaudry 10:24	15:4 17:10
34:18	24:5,18 26:10	beaulac 10:25	brianna 11:1
anticipating	28:15	becin 7:16	brief 20:6 25:15
30:25	assets 27:13,14	behalf 19:23	27:11,25 28:1
anticipation	29:7,11,15,23	believe 21:1	29:19 30:12,17
24:24	30:2 34:18	25:11,19 26:11	36:5
anubhav 16:6	35:10,11,14	ben 12:13	briefing 36:2
anybody 22:23	assume 34:4	benny 17:23	briefly 27:11,24
23:3 27:25	attached 25:15	berg 18:3	30:14
31:13 36:7	attention 19:3	beth 9:2	briefs 20:23
anybody's 27:9	attorneys 4:4,11	better 33:17	30:6 31:13 34:9
apap 5:22	5:2,11,18 6:2,9	big 31:17	36:6
apologize 24:10	6:17 7:2	bilter 11:1	broadhurst
25:24	audio 19:5,8	birch 11:2	11:11
apparent 29:18	austin 17:16	biswas 11:3	bronge 7:18
appears 34:10	18:5	bit 26:19	brown 7:19
applied 27:23	automatic 27:17	block 6:8	bryan 5:15 20:1
apply 27:21	avenue 4:5,13	blocks 28:17	29:1
appointment	avery 12:18	blonstein 21:6	burden 32:4,6
21:13	avin 12:14	21:10,12 22:9	32:10
appreciate 26:1	avoid 25:4	22:15 23:22	burdensome
27:5	avoidance 35:12	24:6,13,21 26:8	24:15
appreciates 33:6	aware 29:22	26:12,18 28:14	burks 10:16
archer 7:13	axelrod 10:22	29:4 30:20	busy 33:5
argier 10:21	ayala 7:14	34:10	butler 15:1
argue 32:10	b	bonadies 11:4	c
33:15	b 2:1 6:17 11:1	boone 11:5	c 4:1 11:7 15:17
argued 34:24	back 22:15	boroff 11:6	19:1 37:1,1
arguing 34:18	23:13 29:16,18		

[calendar - custodial]

Page 3

calendar 35:3	chieh 15:19	comfort 29:5	cornell 7:24
called 28:2	choi 11:17	comfortable	cote 7:25
calling 22:7	chris 5:6 7:16	31:2,9	counsel 19:21
24:20 30:25	25:9 34:1	committee 4:11	20:1 21:19
cameron 8:1	christiansen	19:24 20:9,11	25:10 29:2 31:6
cancellation	11:18	23:16,23 25:3	country 37:21
29:15	christina 11:12	25:19 29:22	course 22:7
can't 28:8	christine 14:14	30:7,9 31:6	30:23 34:21
carl 7:25 10:5	christopher	32:12	court 1:1,18
caroline 16:15	8:11	completely 26:5	19:5,8,11,16
carolyn 11:14	chuan 12:16	comprehensive	20:4,19,25 21:4
case 1:3,4 3:1,4	ciancarelli	33:7	21:18,21 22:2
4:10 19:18	11:12	concluded 36:15	22:13 23:14,18
23:16 24:2	circuit 27:22	concur 22:5	24:5,9,17 25:1,7
27:21	circumstances	confer 20:25	25:22 26:4,7,22
cases 27:22	27:21	22:6 23:1	27:5 28:1,10,24
castor 11:13	cirkel 11:19	conference 3:1,4	29:20 30:4,11
catherine 17:2	claim 35:24	19:18	30:14,21,24
cathy 8:23	claire 7:24	conferred 25:16	31:25 32:3,7,15
caused 29:15	clark 6:10	31:21	32:23 33:5,5,21
celsius 1:8,15	claude 10:24	confirm 25:17	33:23 34:6,20
5:2 25:9	claudio 11:20	34:5	35:6,19,22 36:2
center 5:19	clear 24:17	conlon 11:23	36:7,11,13
certain 4:4 20:8	clerk 19:2,8	consider 32:3	courtney 10:16
20:10 34:23	client 22:11	considered 27:1	court's 22:25
certainly 21:9	25:14	consistent 21:2	cover 24:7
22:11 24:3	closed 36:2	21:6,9,13,15	covered 24:13
27:22 32:9	closing 34:2	22:17 29:8	creditors 4:12
certified 37:3	cohen 7:20	constitutes 19:9	20:9,11 23:17
chamberlayne	11:21	contemplated	crews 8:1
11:14	coin 28:16,16	21:20	cross 20:18
chan 11:15	29:11	contents 20:13	24:21,25 25:18
chance 28:4	coleman 11:22	24:22	26:2 31:1,10
31:8	colleague 32:18	contested 20:18	crystal 14:4
chang 11:16	collective 21:2	control 34:18	cunha 11:25
charles 17:9	colodny 7:21	cook 7:22	12:1
chase 9:3	colton 13:19	cooper 11:24	currently 20:6
cheyenne 8:25	come 23:12	cordry 7:23	29:12
chicago 5:4 6:11	31:22 33:12	cori 11:21	custodial 1:12
			5:11 20:2 29:2

[custody - emmanuel]

Page 4

custody 19:20 19:22 23:25 25:20 27:15 28:8,12 29:7,7,8 29:9,11,16,18 30:1,2 31:5 32:8 32:17 34:14,16 34:23 35:14,22 customers 35:25	debtor 1:10 26:23 28:14 31:7 32:12 34:17 35:9,10 35:23 debtors 20:8 24:11,14,16 25:10,17 28:15 29:14 debtor's 20:12 26:22 34:22,25 36:5 december 20:20 20:24 30:5 36:6 decided 20:19 declarant 20:12 declarants 31:1 declaration 20:8 20:13,15,22 21:6,11,12 22:8 22:16 23:22 24:6,13,23 26:9 26:12,19,20 28:15 29:4 34:10 declarations 24:25 25:14,25 dedina 12:5 defendants 1:16 delivered 33:6 denise 13:20 dennis 8:4 depending 24:22 deposing 26:2 depositions 20:17 der 18:6 deran 12:6	desai 12:7 designation 19:13 determine 20:25 29:25 30:3 determined 35:22 dia 9:9 diaz 8:2 dibattista 12:8 didn't 26:11 31:23 dietrich 10:14 14:5 different 26:16 dipped 28:18 disagree 31:4,14 disagreement 31:23 disagrees 29:24 discovery 23:25 discuss 22:10 24:1 27:6 31:24 32:22,23 discussed 21:24 21:25 31:22 33:22 34:2 discussion 26:1 dispensing 34:2 disputes 20:17 29:22 distribution 30:2 district 1:2 doc 3:2,5 dollar 34:23 35:24 dollars 35:25 don 16:25	don't 20:16 22:6 24:19,20 25:17 25:19 26:13 27:2,25 31:7,17 31:17 32:4,16 33:14 35:7 dortch 6:1 drew 12:10 18:2 due 36:5 duffy 8:3 12:9 12:10 dunne 8:4 dustin 11:6 dyke 12:11
e			
			e 2:1,1 4:1,1 11:24 15:16 19:1,1 37:1 eades 12:13 earnest 35:15 eckhardt 12:12 ecro 2:5 ed 11:2 edgerton 12:14 edmundo 14:18 edward 6:13 eggermann 12:15 either 21:20 30:25 elle 11:17 ellis 5:1 25:9 34:1 else's 27:25 elvin 17:14 emergency 32:20 emmanuel 10:19

[eng - hearing]

Page 5

eng 12:16 engel 8:6 english 4:3 eric 11:15 eridson 11:25 erik 9:4 estate 34:14,15 34:17 35:23 et 1:15 ethan 15:1 everybody 19:17 28:3 everyone's 26:1 evidentiary 20:18 25:5,11 examination 31:10 examinations 20:18 examine 24:21 24:25 examiner 21:11 21:13,15 29:5 32:24 examiner's 21:6 21:21,23 22:10 22:20 23:23 26:25 27:12 33:11 examining 25:18 26:2 31:1 expect 27:2 expectation 20:21 expecting 20:17 extent 29:24 35:21 exum 8:5	f f 2:1 9:11 11:5 14:12 37:1 fabsik 12:17 fact 31:9 factual 20:17 28:21 fahey 12:18 fair 32:7 fairly 26:3 familiar 27:22 far 31:11 fashion 32:5 femke 17:15 file 30:6 33:13 filed 20:6,8 31:11 36:5 filings 23:22 fills 21:16 fine 25:1 27:5 31:25,25 34:4 fire 28:17 first 19:11,22 24:19 28:2 31:6 31:16 32:2,8,20 fits 21:14 focus 35:7 folks 35:14,16 follow 20:12 26:17 fong 8:7 force 23:2 foregoing 37:3 formed 22:21 23:24 forthcoming 22:9 fortwengler 12:19	forward 32:11 foster 12:20 francis 14:6 frankel 8:8 frankly 31:17 friday 36:6 front 19:21 26:13 full 19:11 fully 24:12 26:12 fulton 8:9 further 34:15	golden 13:1 goldstein 13:2 good 19:16,25 22:3 23:15 33:2 gordon 12:22 gorrepati 10:13 government 3:2 3:5 great 23:19 35:20 green 1:19 greg 13:17 gregory 9:11 17:11 group 1:12 5:11 5:18 20:2,11 22:4 25:19 28:6 28:18 29:2,23 guess 21:4,18 24:5,18 32:7
	g g 11:2 15:11 19:1 gallagher 8:10 gaps 21:16 gastelu 8:11 geary 12:23 geoffrey 11:19 getting 34:3 gheorghe 12:21 ghosh 12:24 giardiello 12:25 give 28:3 31:8 glenn 2:2 19:17 go 29:3 31:6,13 31:16,16,18,19 32:8,20 33:21 35:6 goes 32:2,10 goetten 8:12 going 19:2 25:10 27:2 28:2 29:19 30:2,4,11,15,16 31:3,19 32:3,11 32:16,16 33:15 33:16,17	h h 16:25 17:5 hadn't 24:12 27:1 hamilton 5:17 handful 24:13 hanraads 13:3 hans 16:1 happened 21:16 happy 23:25 32:20 36:10,12 harrison 13:4 haven't 23:24 hear 20:2 23:17 31:5 heard 34:25 35:4 hearing 3:1,4 19:3 20:19,24	

[hearing - jensvold]

Page 6

21:23 22:7,12	23:12,15,17,19	individual 31:3	35:7,24
22:19 24:3,4	25:8 26:5,10	individuals	ivan 8:20
25:5 26:25 27:2	27:1 28:5,7 29:1	25:18 35:17,17	i'd 31:5,15
27:8 31:2,18	29:22,24 30:10	information	i'll 19:22 27:16
32:24 33:11	30:13,18,22	23:1 30:19	28:3 31:8 32:13
34:8,24	31:20 32:14	initial 24:13	32:23
heather 17:17	33:2,3,19 34:4	26:12,16,18	i'm 22:14,23
hector 11:20	34:12,21 35:13	32:11	23:2,5,7,8 25:10
heemok 14:3	36:10,12	initials 19:13	27:20,22 31:1,3
heine 13:5	honor's 24:1	intend 24:19	32:9 33:15,16
hemant 10:2	hope 36:8	34:12	33:17,25
henry 17:16	hoping 28:22	intends 30:7,9	i've 19:20 22:14
heras 10:1	howard 17:3	interest 29:23	31:10,14 34:7
herrmann 8:14	hsin 15:19	intermediate	j
hershey 4:16	huong 14:10	27:23 28:16	j 4:8 7:17,25
23:14,15,16,19	hurley 8:16	intervening	8:13 9:8 10:22
24:7,8,10 25:2,3	hyde 3:25 37:3,8	26:15	12:5,6 14:23
26:4,5,13 29:20	i	iovine 13:9	j.m. 17:15
29:21 30:9	iadonisi 8:17	iphone 19:14	jackson 10:12
36:12	identify 33:23	irregularly	jacobs 13:10
hi 19:25	il 5:4 6:11	27:17	jacques 16:12
hine 13:6	immanuel 8:14	isaac 14:8	jakobsen 13:11
hiram 17:20	impact 32:5	issue 27:3 28:1	jame 13:16
hoc 1:12 5:11,18	importance 35:8	28:25 29:25	james 8:6 9:7
19:23 20:2 22:4	important 22:25	30:5,10,12	14:12 15:2
25:19 29:2	22:25 25:13	34:14,15,16,24	janell 12:12
hodson 8:15	35:7	36:6	janine 12:14
hoffing 7:20	impose 31:3	issues 19:20	jared 11:7 15:5
holcomb 8:13	imposition 19:7	20:14,25 22:11	jarno 18:3
holders 1:12	impossible	23:6 26:20 28:8	jasleigh 12:23
5:11,18 19:22	28:19	30:7 32:3,4	jason 12:8 13:9
19:23 20:2 22:5	inconsistent	34:13,19 35:5	15:11 16:11
25:20 28:21	21:9	item 20:16	17:21
29:3,16 35:9	indicated 24:19	25:13	jean 14:13
holidays 26:15	25:11 26:14	items 24:12	jeff 13:22
hollerith 13:7	indicating 33:13	it'll 32:18	jelisavcic 13:12
holzhauer 13:8	indiscernible	it's 22:25 26:16	jenner 6:8
hon 2:2	28:17 30:19	26:17,24 27:9	jensvold 13:13
honor 19:25	32:25 33:2	27:20 29:10	
20:5 21:8 22:1,3		31:17,23 34:24	

[jeremy - lund]

Page 7

jeremy 7:20 14:6,24 jerome 9:22 jesse 9:1 10:11 17:25 jesus 7:14 jhamb 13:14 jimenez 8:18 joe 14:16 joel 7:12 johan 7:18 john 8:15 9:15 11:4 johnson 8:19 13:15 join 19:11,13 32:19 joint 19:18 jon 8:17 jonathan 2:5 16:9 jordyn 15:21 joseph 14:9 jr 7:14 judge 2:3 19:14 19:17 juj 13:16	karen 7:23 kash 13:24 katherine 7:9 katy 15:20 kaufmann 13:25 keely 14:1 keith 10:6 kellee 13:23 kenneth 12:3 kensington 14:2 kevin 14:21 keyan 17:6 khai 15:24 khezri 8:21 kim 14:3,4 kind 21:16 kirkland 5:1 25:9 34:1 knauth 10:14 14:5 know 23:5 25:13 31:7,18 32:16 33:14 34:6 koenig 5:6 25:7 25:8,9 26:7,10 27:1 30:21,22 33:19,21,22,24 33:25 34:1,12 34:21 35:13,20 36:3,4,10,14 koo 14:6 kotliar 5:15 19:25 20:1,5 21:8,25 22:5,13 22:21 23:12,20 27:14 28:24 29:1,2 30:11,13 31:15,20 32:1 32:14,15,18	kouly 14:7 kovsky 5:22 19:23 22:2,3,4 22:23 24:18,19 24:22 25:14,21 25:22,24 27:10 28:3,5,5,11 30:14,18 31:15 kraig 13:11 kwasteniet 5:7 kwok 8:22 kyle 9:8 11:8 13:8	legal 20:24 37:20 legge 14:15 lehr 14:16 leonard 8:24 14:17 letter 33:13 let's 27:17 32:12 liabilities 29:9 29:11 liam 15:13 liew 12:16 ligon 8:25 lily 10:9 limited 24:3 25:12 limits 31:3 33:17 linda 16:7 line 27:3 29:6 list 26:13 little 26:19 live 22:7 30:25 llc 1:8,15 5:2 llewellyn 14:8 llp 4:3,10 5:10 5:17 6:1,8 look 28:7 lopez 14:18 loreta 13:24 lot 31:12 lowest 27:23 28:16,18 lucas 8:13 lucy 9:24 luke 9:12 lund 9:1
k		l 9:24 lafayette 7:22 lalana 16:2 lalia 14:9 lam 14:10 lansden 6:1 largely 29:8 35:13 larrabee 14:11 las 10:1 lasalle 5:3 lathrop 14:12 lattreille 14:13 lau 8:23 layla 9:5 layne 6:6 lazar 6:13 leave 23:11 32:13 leblanc 6:21 ledanski 3:25 37:3,8 lee 14:14 left 29:15 32:21	

[m - opening]

Page 8

m	melanie 10:8 melo 18:4 mendelson 9:4 mendieta 15:4 mentioning 25:25 merits 34:3 met 25:15 29:8 31:20 mezzatesta 15:5 mg 1:3,4 3:1 mi 5:20 mia 11:24 michael 9:6 11:11,23 12:19 15:8 16:10,19 michaels 15:6 mikaela 14:2 mike 8:19 14:15 milbank 6:16 milin 9:10 milligan 9:5 mineola 37:23 mismatch 29:18 mitch 8:16 mitrakas 15:7 moment 33:20 monetary 19:7,7 monica 15:23 montgomery 6:2 morning 19:17 19:25 22:3 23:15 32:19 33:2 morris 9:6 motion 34:22,25 mowry 15:8 muhammad 16:20	murphy 15:9 muted 24:7,8 n n 4:1 5:3 6:10 10:5 12:7 19:1 37:1 nagpal 15:10 nakiso 14:22 name 19:10,12 19:13 nash 9:7 nashville 6:4 natasha 17:8 nathaniel 6:6 naznen 16:3 need 20:19 28:7 30:2 33:14 35:6 nelly 7:10 network 1:8,15 5:2 never 29:16 35:15 new 1:2,20 4:6 4:14 5:13 7:4 15:11 nice 36:9 nicholas 16:14 nicolas 15:18 nicole 8:24 niggemann 15:12 night 21:1 31:21 noah 9:20 non 19:7 noon 15:13 note 32:1 november 1:22 37:25	number 24:11 35:2,16,20 nw 6:18 ny 1:20 4:6,14 5:13 7:4 37:23 o o 2:1 19:1 37:1 o'brien 15:14 object 23:10 27:9 objecting 35:2 objection 25:16 objections 36:4 obviously 22:14 26:15 29:21 31:8,12 34:10 35:21,25 octave 7:17 office 7:1 official 4:11 19:9 23:16 oh 33:25 okay 20:3 21:18 22:2 23:11,14 23:17 24:5,9 nice 36:9 25:1,7,22 26:4,7 28:24 30:11,14 30:21,24 31:25 32:15 33:18 34:20 35:6,19 36:2,7,11 old 37:21 once 34:7 open 19:20 24:12 32:9 33:7 opening 20:6 25:15 27:11 34:2
m 5:7 9:20 13:25 14:21 madsen 14:19 maglic 14:20 maintain 34:17 maintains 19:8 making 19:4 malcolm 10:23 management 3:1,4 19:18 manus 14:21 maodza 14:22 maree 14:23 mark 14:11,17 maronpot 9:2 14:24 marsh 9:3 martin 2:2 17:19 mary 15:14 masumoto 7:6 mat 14:25 matter 1:6 35:3 matters 20:19 matthew 10:15 16:23 max 10:12 mccarrick 5:8 mcarter 4:3 mclaughlin 15:1 mcnamara 15:2 mcwilliams 15:3 mean 22:14,24 28:18 31:8 35:7 medical 32:19 meer 18:6 meet 20:25 22:6 mei 8:22			

[order - raise]

Page 9

order 19:19 20:7 21:13 31:19 33:14	pay 19:3 pending 20:16 29:14	porcari 9:12 posed 24:10 position 23:24 25:4 26:23 30:1	process 32:5 prohibited 19:4 prohibition 19:6
orren 15:15	penn 5:12	possession	properties 6:2
ortiz 9:8 32:18	people 31:8,19 35:10,21	possible 36:1	property 34:13 34:14,16 35:23
oswald 15:16	pepper 5:17 22:4 28:6	preference	propose 34:24 34:25
ought 32:8	perrigino 15:23	prejudice 23:9 27:9	proposes 35:11 proposing 35:9
outside 29:17	persons 19:4	preparation	provide 24:16 28:15
owed 28:20	perspective	prepared 22:18 26:24	pundisto 16:2
owens 15:17	29:24	present 7:8 32:24	purpose 21:22 23:5 24:3 26:24
ownership	pesce 9:11	presentation	purposes 22:12 22:19 23:9 27:8 33:10
29:23	peter 15:22	presentations	put 27:6,17 32:13
p			
p 4:1,1,16 9:15 11:11 15:9 16:24 19:1	petition 29:7,12	presenting	q
paige 17:12	pham 15:24	pressing 22:23	question 21:4,5 21:19 22:15,16 25:1 27:14,20 33:8
pan 15:19	phase 20:6 23:6 23:9,10 28:2 30:6	prior 27:2,22	questions 20:9 20:10,12 24:11 24:14 26:11,17 26:17 28:13,21 29:3,9 33:4
pape 15:20	philip 11:9	probably 22:22 32:20 35:1	quickly 24:4
paperny 15:21	philippe 14:13	problematic	r
papers 31:11	phillip 8:21	24:16	r 2:1 4:1 12:13 14:8 19:1 37:1
park 4:5	phillips 15:25	proceed 25:12 34:13	rabeca 14:19
parker 9:9	piece 23:1	proceeding	rahman 16:3
part 25:16,25	pillay 6:9,14	21:19 23:11 25:17 27:10	rai 9:13
partial 19:13	piquerez 15:18	proceedings	raise 25:13
parties 19:10,12 20:7 21:1,20 24:1,10 25:15 26:10,18 27:4 30:4,6 32:21 33:9,22 34:1 35:2,5	plaintiff 1:13	19:5,9 36:15 37:4	
parties' 20:23	platform 29:17	proceeds 32:5	
party 19:11	plaza 5:12		
patel 9:10	pleading 29:19		
patrick 9:7	please 19:3		
patzak 15:22	plenty 33:16		
paul 11:10 12:17	po 8:22		
	point 22:18		
	25:23 26:23		
	27:11 28:3 33:1		
	33:3		
	polzmacher		
	16:1		

[raised - shortfall]

Page 10

raised 26:11,20	request 22:24	rodriguez 16:9	schneider 9:19
raises 27:19	requires 23:24	rogawski 16:10	schottenstein
raul 8:18	reservation 27:7	roma 12:7	9:20
raymond 9:14	reserve 23:21	room 7:3 19:12	scott 8:3 12:9
re'necia 9:21	resolved 23:7	rosell 16:11	screenshot 19:6
reach 33:9	33:13	ross 5:7	second 31:16
read 22:14,15	respect 22:9	rossouw 16:12	32:2
29:13 31:10	28:7 34:14,15	round 31:13	secondary 36:6
34:7,8,11 35:6	35:15	34:9	see 23:1,3 32:24
reading 33:5	responsive	rudolph 16:13	seeing 20:14,22
really 20:18	20:23 29:19	rule 27:23	20:23 22:8
21:5 23:20 28:8	30:6	run 28:12	27:25
reason 32:7	result 19:7	ryan 9:16 13:2	segal 5:10,10
rebecca 8:10	return 35:9,11	s	20:1,1
reconciliations	review 23:21	s 4:1 7:6 9:13	senes 16:18
27:16	24:23	14:17 17:7,21	sense 24:15
record 19:10,11	reviewing 26:18	19:1	separate 28:9,10
25:9,21 34:1	rh 6:2	sabatino 16:14	series 6:17
37:4	ric 14:25	salls 16:15	34:19
recording 19:5	richard 7:13	sam 23:15	service 29:9
19:9	15:16,25 16:8	sami 16:21	set 19:18 31:2
reding 9:15	richards 16:6	sammy 10:17	33:16,17
regard 19:19	rickie 11:16	17:7	sha 16:19
regarding 20:8	riffkin 16:7	samuel 4:16	shafqat 16:20
20:13	right 19:2 23:10	10:21	shai 16:17
reilly 16:4,5	23:14 25:7	sanchez 9:17	shaikh 16:21
relates 20:13	26:22 29:20	sanctions 19:8	shane 15:17
relating 29:9	30:24 32:15	sandefur 9:18	shara 7:24
relevant 23:8	33:7 34:3,12	sanders 5:17	shareholders
rely 24:24	36:7,13	sarah 9:2 17:18	6:17
remember	rights 23:21	saying 27:20	shashank 9:13
27:25	27:7	says 21:12,14	sherald 9:21
rene 10:20	riki 14:7	29:6	shiraz 16:20
reply 31:8 36:5	road 37:21	schedule 30:5	shireen 11:5
report 21:7,11	robert 9:23	scheduling	shlivko 16:22
21:13,16,21,23	10:25 11:18	19:19 20:7	shoba 6:9,14
22:10,20 23:7	13:25 15:15	scheuer 16:16	shortfall 27:13
23:23 26:25	roberto 13:10	schmidt 16:17	27:15,19,24
27:12,18 29:5	robison 16:8		29:13 30:3
33:6,11			

[signature - transcribed]

Page 11

signature 37:7	stevan 14:20	sure 25:20 29:1	they've 29:17
silverman 10:15 16:23	steven 7:15 12:5	susan 13:1	thing 32:1
simmons 16:24	stewart 9:22	t	things 31:21
simone 13:3	stipulate 21:20 21:22 22:18	t 37:1,1	think 20:14 21:15 22:22
simple 29:10	26:24 27:7	tabak 17:5	25:4 27:10,24
small 28:19 35:17	stipulating 22:11 33:10	taji 17:6	29:4,12,21,24
smith 16:25	stipulation 19:19,20 23:4	tak 17:24	31:17 32:2,10 32:20,21
solely 20:24 21:22 26:24	story 21:15	take 23:25 27:3 35:10	third 32:2
solutions 37:20	straightforward 26:3	takeaway 27:12	thomas 15:9
soma 11:3	stratton 18:5	takes 25:3	thomashower 17:9
somebody 33:12	street 6:3,10 7:3	talked 31:7	thomson 9:24
sonda 11:21	strictly 19:4	tantawy 10:17 17:7	three 34:13,19
sonya 3:25 37:3 37:8	stromberg 9:23	taylor 13:4	threshold 35:11 35:24
soon 36:1	stuff 32:9,11	tecklin 9:25	tichenor 17:10
sorensen 17:1	subject 20:14,15 20:22,22 22:7	telephonically 4:8,16,17 5:6,7 5:8,15,22 6:6,13 6:14,21 7:6,8	tiffany 8:7
sorry 24:8 33:25	24:23 26:8	tell 26:7	tighter 26:20
southern 1:2	submitted 25:14	term 27:18	tightly 28:12
southfield 5:20	subsequent 27:10	tesese 17:8	tim 13:15
speak 19:10 21:3 28:8 33:24	substantially 26:16	thank 19:16 20:5 23:18,19 25:8 33:19 36:14	time 19:10 31:3 33:6,17,24
speaking 32:17	suggest 27:4	thanksgiving 36:9,10,12	times 27:19
specific 33:4	suggested 31:14	that's 21:1,23 24:2,9 27:5	timon 15:7
st 5:3 6:18	suggestion 24:1	31:25,25 32:7 33:13 35:13	timothy 16:5
stacy 9:25	suite 5:12,19 6:3 37:22	therese 16:16	tj 5:8
standpoint 22:25	sullivan 17:4	there's 31:9,11 31:12 34:22 35:2,15	tn 6:4
starting 19:2	supplemental 20:15,22 22:8	they're 26:2	today 22:23 36:8
state 19:10	23:22 24:6,11		todd 12:22
states 1:1,18 7:1	24:23 26:8		togut 5:10 20:1
status 33:13	28:14 29:4		tollis 17:11
steadman 10:16	30:16		tortorelli 17:12
steege 17:2	supposed 24:6		total 28:19
steel 17:3			town 5:19
steffan 12:4			tran 17:13
stephen 10:4			transcribed 3:25

[transcript - yuan]

Page 12

transcript 37:4	utsav 12:24	wanted 25:20	22:4 28:6,8,11
transferred	v	26:19 33:1 34:5	28:18,20 29:23
27:13,15	v 1:14 16:4	wanting 24:21	31:5 32:8 34:15
tried 35:4	value 27:23	washington	34:16,23 35:22
tristan 8:2	van 18:6	6:19	witnesses 22:7
troutman 5:17	varick 7:3	wasn't 28:9	24:20 31:1,10
22:4 28:5	various 27:19	32:19	wofford 10:6
true 30:1 35:13	vejseli 10:3	way 21:10 27:18	wohlman 10:7
37:4	vera 7:19	32:13	wolf 17:22
trued 27:18	veritext 37:20	wayne 8:5	wong 17:23
trustee 7:1,2	vessies 17:15	wedoff 10:5	won't 27:8
trying 23:2	veton 10:3	week 26:14	work 31:15
turetsky 4:17	viable 35:23	28:23	33:14
turn 19:22	victor 10:1	weiss 17:18	wrapped 35:2
turner 17:14	video 19:5	went 22:15	written 24:24
two 29:3 31:2,15	view 21:8,10	we'll 20:24	x
tyler 6:6	22:13,17,21	23:12 24:2,3	x 1:5,11,17
	viewed 24:12	25:4 26:14	y
u.s. 2:3 7:2	viewing 23:23	we're 19:17	yanez 10:8
ubierna 10:1	vik 15:10	23:25 24:17	yarborough
uday 10:13	villavaso 10:4	27:2 28:22	10:9
underestimate	vince 17:4	29:19 32:20	yeah 28:10
35:8	vincent 6:13	36:13	yeilding 10:10
understand	8:12	we've 28:15	yesterday 22:6
20:11 26:19	viny 17:16	29:13 33:16	26:1
understanding	violation 19:6	what's 20:14	yeung 17:24
20:15 21:2	vladimir 13:12	24:6 28:17,17	yiу 17:23
understood	vtor 12:1	28:17	york 1:2,20 4:6
23:12		white 4:10 23:16	4:14 5:13 7:4
unduly 24:15	w 10:15 16:23	william 12:20	you'll 21:21
union 6:3	waiting 19:12	williams 17:19	23:7
united 1:1,18	waller 6:1 17:17	williamson	you're 22:18
7:1	wallet 28:9,10	17:20	23:8 24:7 30:16
unsecured 4:11	28:12	wiseman 17:21	33:15
23:17	wallets 29:8,11	withdrawal	you've 30:14
upadhyaya 10:2	want 23:1,3	29:14	33:8
updated 30:19	25:13,22 28:4	withdrawals	yuan 10:11
use 21:21	28:24 31:18	20:16 34:22	17:25
	32:1,4,8,11 36:8	withhold 5:18	
		19:20,23 20:11	

[zaharis - zoom]

Page 13

Z
zaharis 18:1
zerdecki 18:2
zoom 3:1,4

212-267-6868

Veritext Legal Solutions
www.veritext.com

516-608-2400